

February 6, 2006: Rahall: New Budget Shortchanges Hardworking West Virginians Yet Again

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WASHINGTON, DC - U.S. Rep. Nick J. Rahall (D-WV) expressed concerns with the newly released Republican budget from the White House today. "This budget borrows more dollars from our grandkids than Carter made little liver pills," Rahall said. "If the aim is to protect America, these numbers don't add up."

President Bush today proposed a \$2.7-trillion budget that leaves America vulnerable from within and still leaves, at the most conservative estimate, a huge \$355-billion deficit.

"The Bush Administration inherited a budget that was \$236 billion in surplus the year before it took office," Rahall said. "In two years it exhausted that surplus, and in every year since, it has racked up record deficits and a mountain of debt. This new budget saddles our grandkids with more debt than an advanced college degree will cost them."

From Agriculture to Veterans Affairs, family programs will operate with less money, and with no allowance for inflation or population growth.

"If we want to keep America strong, if we are serious about protecting what we have and building a better tomorrow, we must invest in Americans," Rahall said. "I've asked it before, and I'll ask it again-why can't we afford America?"

Despite recent Administration statements about providing affordable health care for Americans, the proposed budget includes increases in Medicare premiums, cuts to Medicare and Medicaid, and a misguided plan for health savings plans that will shift more of the cost of health care onto individual consumers. Meanwhile, more than three-fourths of the Administration's claimed funding for the American Competitiveness Initiative is simply the extension of an existing tax credit, while funding for the National Institutes of Health is frozen at last year's level.

The program singled out by Bush for the deepest cuts is Medicare, which provides healthcare for about 43 million elderly and disabled beneficiaries.

Another program new to Bush's hit list is the Agriculture Department's commodity supplemental food program, which provides food packages to low-income elderly people, pregnant women and infants.

"This budget is robbing Peter to pay Paul and in this case, those paying the price are our seniors, our students and our families who are being stripped of important services in order to make room for special interests like the drug, oil and HMO industries," Rahall said.

Some of the many specific changes that the budget proposes include:

HEALTHCARE

- A \$35.9 billion reduction in Medicare spending over five years.
- Despite the clear intent of the Congress, the budget reintroduces the idea of instituting enrollment fees and increasing co-payments for veterans healthcare.

COMMUNITY DEVELOPMENT

- The elimination of the Community Services Block Grant, the Preventive Health Block Grant, the Community Economic Development grant, the Emergency Medical Services for Children, and the Rural Community Facilities programs. The budget also scales back the Social Services Block Grant, Health Professions and Rural Health programs.
- \$400 million in cuts to the USDA's Research, Education and Economics programs which help to fund the nation's land grant university system.

RESOURCES (Source: Committee on Resources Democratic Caucus)

- Cuts \$100 million from the National Park Service.

EDUCATION (Source: Education and Workforce Committee Democratic Caucus)

- No Child Left Behind program shortchanged by \$15.4 billion.

- The 2007 budget does not even keep funding for the Head Start program at pace with inflation. As a result, 19,000 children could be cut from the program, or the program could be forced to make cuts to the services - such as qualified teachers, educational activities, and parent education - proven to help children reach kindergarten better prepared to succeed.

- At the same time, while public schools are left to struggle financially, the President's budget proposes to subsidize private schools in the form of private school vouchers.

- Failure to raise the maximum Pell Grant scholarship for the fourth time since 2001. The maximum Pell is worth \$4,050 - \$900 less than it was worth in 1975-76, after adjusting for inflation.

- While the Administration touts its commitment to high school reform, it is simply shifting a billion dollars in current funding from ongoing vocational education, Gear Up, and TRIO programs in order to fund its "new" high school reform proposal. These important programs provide support for disadvantaged students to pursue a higher education.

- The budget also reduces access to the child care assistance program, which helps provide access to early learning child care and helps low-wage workers make ends meet. According to Bush's own budget analysis, the Administration will cut child care assistance for 400,000 children by 2011.

TRANSPORTATION (Source: Committee on Transportation and Infrastructure, Democratic Caucus)

- Cuts Amtrak funding by \$415 million with new conditions on all available operating funds, including funds for long-distance trains.

- Eliminates the Small Community Air Service Development Program, which provides grants to help underserved communities attract air service.

- Cuts Essential Air Service, which provides funding for air service for rural communities. The Budget request is \$77 million less than the authorized level and \$60 million less than the FY2006 enacted level.

- Cut the Federal Aviation Administration's (FAA) Airport Improvement Program to \$2.75 billion -- \$950 million less than the level authorized by VISION 100 and \$800 million less than the FY2006 enacted level.

"It was my hope that this budget would reflect the priorities of West Virginians," Rahall said. "But it looks like the

Administration is still more dead set on rebuilding Iraq and the economies of other counties than protecting interests here at home."